

A Study on Environmental Effect on Business Profitability

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Abstract- Our planet is afflicted by environmental problems that deplete natural resources and strain livelihoods, many of which are intensified by poor industrial practices. If left unchecked, environmental problems negatively impact businesses both directly, as in supply chain troubles, and indirectly, as in health menaces that lead to loss of man-hours and efficiency. The main objective of this study is to address some common environmental problems that businesses need to address to ensure sustainability and long-term financial viability. Now-a-days many business operations depend on the climate and environmental changes, for i.e. solar projects. The seriousness of the issue can be understood as that in 1961 OECD organization reformed. The OECD links as the global forum on environmental and economic growth. Poor environmental quality in turn affects economic growth and welfare by sinking the quantity and quality of resources or due to health impacts, etc. The links between the economy and the environment are assorted resources to the economy, and acts as a sink for productions and waste.

Keywords- Plagued, exacerbated, disruption, manifold, financial viability.

I. INTRODUCTION

Previously, a business owner's primary objective was solely to build a company to generate revenues and increase returns, but as environmental issues have become more prevalent in the world, the effects are seen during the business culture. Some effects are more refined than others. According to the U.S. EPA (Environmental Protection Agency), industrial facilities in the U.S. produce and dispose of around 7.6 billion tons of industrial artifacts annually. Air pollution from factories has been the main offender for damage to vegetation and harvests and health issues for humans. Waste discharged into bodies of water might be toxic for some entities in large amounts. The U.S. utilizes the world's resources at a disproportionately high rate to sustain its standard of living, and the EPA creates standards, broadcasts regulations and enforces laws to protect the environment.

II. REVIEW OF LITERATURE

In 2005, Hurricane Katrina, the costliest and one of the deadliest natural disasters in the history of United States,

struck Louisiana, Florida, Mississippi, Alabama, Georgia and other U.S. states and Canadian provinces. It prompted a gas and oil shortage, disrupted air travel and caused big damage to insurers. Due to high energy prices, companies spent less for hiring. It was a big blow to the U.S. economy, with a total property damage amounting to almost \$100 billion. As a business owner, you must recognize the need to be prepared for such events, whether they may affect you directly, your suppliers or your customers. According to Sharma and Vredenburg (1998) and Correa et al. (2008) mentioned that SMEs perform both proactive as well as reactive environmental practices towards elimination of environmental pollutants or waste as cited (Agan, 2013). Vinayagamoorthi et al. (2015) examined the useful suggestions to the corporates to reduce the level of energy intensity and to utilize the companies' capital for sustainable performance and the author found that ROA, ROE, and ROS create positive impact on energy intensity of the sample firms.

III. NATURAL ENVIRONMENTAL FACTORS THAT AFFECT BUSINESS

1. Natural Calamity the most affected environmental factor business will face is the potential for natural disasters. These factors can distress your business in a number of ways, even if company never faces a major calamity on your watch. For one thing, business may need to pay extra for insurance or allocate a large emergency fund if the insurer specifically excludes the major ecological risk. Company may also need to conduct emergency response training with your staff, and invest in generators or other assets.
2. Climate can have an impact on business that goes well beyond where business set the office regulator. Obviously, heating and cooling have costs attached, but extremes of heat or cold can directly affect business operations.

III. REMEDIAL ACTIONS

Ministerial Climate Change (MOCA) Summit, the United Nations Development Programme (UNDP) and five not-for-profits launched an initiative calling for concerted action to address a neglected area of climate change 16 institutions including several of the Nature4Climate partners

found that the land sector contributes a quarter of total greenhouse gas emissions, but could deliver as much as a third of the greenhouse gas reductions required by 2030 to keep global warming below 2 degrees, and do so cost-effectively. Natural climate solutions such as reforestation, conservation agriculture and coastal wetland protection enhance nature's ability to absorb and store carbon in forests, farms and wetlands. Businesses ought to have to be compelled to disclose rather more data regarding their environmental performance, social impact, and how they are improving their governance. Companies aim should be to link their environmental and financial performance, in order to gain more support for sustainability measures such as carbon reduction. At present, most giant corporations within the GB report some aspects of their environmental performance, such as their carbon dioxide emissions. However, identical isn't true in alternative countries and therefore the standards by that corporations create their reports vary wide. There zone unit other ways of assessing gas emissions, for example, and some companies report on the use of other resources such as water while others do not. The new conception of "integrated reporting" on that today's discussion document relies needs corporations not solely to disclose their environmental and social impacts, however to relate them to current and future economic performance.

IV. GREEN MANAGEMENT PRACTICES

Small businesses square measure adopting environmentally sound business practices to cut back environmental impact and increase in operation potency. These practices embody compliant with environmental rules, protective water; reducing greenhouse emissions and active cut back, employ and recycle. Many business house owners are also implementing environmental management systems. EMS encourages an organization to endlessly improve its environmental performance. Through this program, company employees become more aware of environmental issue, which improves the company's image with investors, regulators and the general public.

V. CONCLUSION

Ultimately, the business should be very much clear about the climate and the management practices that can be apply at the emergency time. Now-a-days customers also like to buy eco-friendly products which enhance the profitability of business and green management practices lead to the health benefits of manpower. There are many forums and organization which provide the environment reports and encourage the companies to business environment friendly.

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